

**Algoma Sanitary District #**  
**Regular Monthly Meeting**  
**Minutes – January 10, 2008 - 6:00 p.m.**

- 1) Commission President Earl Lawrence, with Commissioner Alexander Irvine, and Commissioner Michael Gelhar present called the regular monthly meeting to order at 6:00 p.m. Also present were Kevin Mraz, Joel Edson, Ray Edelstein, and Rose Mraz.
  - a) Earl noted that the District is using a tape recorder for the purpose of the minutes. No one else is using one.
  - a) **Mike made a motion to approve the minutes from the regular monthly meeting for December 13 as presented second-Alex/carried unanimously.**
  - b) **Alex made a motion to approve the cash receipts & investments for Sanitary & Water for December/second-Mike/carried unanimously.**
  - c) **Alex made a motion to approve the pending bills for Sanitary & Water for January/second-Alex/carried unanimously.**
    - i) An invoice was received from Clifton Gunderson which Rose discussed previously with Ray. Ray agreed the invoice was for Clifton Gunderson's professional error and not the District's and recommended sending out the letter to Clifton Gunderson which Rose wrote up. The Commissioners agreed.
- 2) Public Forum - There was no one from the public in attendance.
- 3) Director's Report
  - a) Review of District statistics.
    - i) Earl said this was provided previously and asked if Kevin had any additions.
      - (1) Kevin said he is working on the sewer route yet with the engineers and residents. They will be meeting with Dan Ziengehagen again to finalize the route through his farm field and see if he has concerns prior to granting the District an easement.
      - (2) Water meters were read for the 4<sup>th</sup> quarter of 2007. The average use for Omro is 103 gallons per house per day; Algoma is 146 per house per day. The average for the entire year was 177 gallons per house per day which comes out to the average that PSC says for a quarter. The average bill was \$72.66. The current billing was for \$53,000.00. Usage was down from the 2<sup>nd</sup> and 3<sup>rd</sup> quarter which was expected.
      - (3) During the last month, there were 2 water leaks on the homeowners' side of the valve. Both have been repaired and pumpage went down.
      - (4) Kevin said a good note for 2007 is there were no injuries for workman's compensation.
      - (5) Great Lakes came today to repair some sewer leaks that were found through the televising for 2007. They will come back in tomorrow to repair what was a drip previously, and was running more now. What looked like drips previously, were spraying water today due to the higher groundwater caused by the rain storm. A couple 5gpm leaks were repaired today. It's great that they were here today after the wet weather; the District will have Great Lakes come during the wet season next year for the televising.
      - (6) The District will be putting together a letter for Public Lands regarding a prepayment so they receive it by February 15.
    - ii) Correspondence.
      - (1) Kevin just received the easement revision for Dr. Bell's parcel on Ormand Beach. The existing easement looks like it would be under the corner of the future house, but the sewer has been moved and will not be under the house - this will clean up the easement. There are no District pipes under the house. The Bell's will be paying for the easement revision.
      - (2) The District received an open records request from an employee at Lowe's to look at building permits issued from August until now. They are interested in the piles of dirt in the area and who is building there.
  - 4) Report from Committees
    - a) Water Advisory Council. There was no meeting for December. Kevin recommended holding a workshop in February. Most approvals for permits should be completed by then. It will tentatively be held on the normal Tuesday.

5) Old Business

- a) Review and make recommendations on the proposed administrative, water treatment facility, warehouse building, and utility extension project.
  - i) Kevin said there have not been changes that need to be acted on at this meeting. By the middle of this month, they should be completing their cost estimate for the project.
    - (1) There has been some shifting of rooms and doorways, but nothing major this month. Kevin said the lobby will be opened up some, but he is waiting for Strand's final estimate to see if there will be modifications. Closets have been shrunk already, and a conference office put in.
- b) Status update of permit acquisition process for the third water treatment facility.
  - i) Kevin attended a town planning meeting last evening and said there was discussion at the meeting regarding a temporary cul de sac. Dan Mingus was concerned and wanted a temporary turn around.
    - (1) Kevin said his goal for tomorrow is to receive a letter from the Town's Fire Department indicating they are satisfied with turning around in the District's parking lot. The Fire Chief and Assistant Chief came today and discussed this and are fine with turning around in the parking lot. Kevin also called Bob Braun from the County and he will send a letter indicating that he is satisfied with whatever the Town decides, Kevin also talked to Joel Rasmussen regarding snow plowing and he is fine with turning around in the parking lot and will send the District a letter. Kevin said that Bert Wertsch indicated at the town meeting that the parking lot can be used as a temporary turn around and this could be put on as a condition.
      - (a) Kevin asked the Commissioners if there is something additional they would like him to do to help have the board pass the agenda item.
        - (i) Joel said perhaps the developers involved should come to the Town meeting also.
        - (ii) Kevin asked if it would be more beneficial to grant the Town an easement over the asphalt surface to use as a temporary cul de sac. Currently temporary cul de sacs are over private property and then go back to the homeowners when the street extends. Joel said they do asphalt these.
        - (iii) Kevin said the proposed parking lot will give the town a 100' square to turn around.
      - (b) The Commissioners feel the letters should take care of the town board's concerns. Kevin said the gate can be taken off until there is a different turn around.
      - (c) Ray indicated the cul de sac objection should not take place during the CSM process, but later during building permits as this is not the current issue.
        - (i) Ray indicated Kevin should discuss this with the Town's lawyer prior to the meeting and mention that a no vote on this would be arbitrary and capricious which the Commissioners agreed to. Kevin said the District could receive 2 no votes for sure at this point.
          - 1. The Commissioners agreed to have staff move ahead and consult legal council if a no vote comes in so everything is ready to go.
          - 2. Kevin said he sent all the board members a letter and called each one, no one called him which you would have expected a call if they had questions.
  - c) New Business
    - i) Audit for 2007
      - (1) Rose said that the person that was going to do the audit left Virchow Krause and they will be setting up the audit with a different employee for February 26 and 27.
  - d) **Mike made a motion to adjourn at 6:50 p.m./second-Alex/carried unanimously.**

Respectfully submitted,

\_\_\_\_\_  
Rose Mraz, Office Manager

Approved:

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Earl Lawrence, President

**Algoma Sanitary District #**  
**Regular Monthly Meeting**  
**Minutes – February 14, 2008 - 6:00 p.m.**

- 1) Commission President Earl Lawrence, with Commissioner Michael Gelhar present called the regular monthly meeting to order at 6:00 p.m. Also present were Ray Edelstein, Kevin Mraz, and Rose Mraz. Commissioner Alexander Irvine was excused.
  - b) Earl noted that the District is using a tape recorder for the purpose of the minutes. No one else is using one.
  - e) **Mike made a motion to approve the minutes from the regular monthly meeting for January as presented second-Earl/carried unanimously.**
  - f) **Mike made a motion to approve the cash receipts & investments for Sanitary & Water for January/second-Earl/carried unanimously.**
  - g) **Mike made a motion to approve the pending bills for February as presented/second-Earl/carried unanimously.** Earl noted that Rose purchased a new computer on the credit card which will be capitalized.
- 2) Public Forum
  - a) Michael Hanten with Clean Water Testing attended the meeting.
- 3) Director's Report
  - a) Review of District statistics
    - i) These were given out previously.
  - b) Town of Omro
    - i) They are in the bidding process for a development of 17 homes near Sammers Bay.
  - c) Kevin is starting to post for the next operator position opening and said he has received a number of recommendations from various sources.
- 4) Kim Hanson's lawsuit is coming through again and Kevin once again requested to have our District taken out. This suit has been going on almost 4 years now with the District acquiring some administrative costs. Ray said the suit is still working itself out of the system.
- 5) Report from Committees
  - a) There was no meeting to report on, but there may be one in March.
- 6) Old Business
  - a) Sanitary sewer route to drinking water treatment facility #3.
    - i) Kevin is still working with the landowners yet; so there is no action on this.
  - b) Permit acquisition for drinking water treatment facility #3.
    - (1) The District held a workshop with some of the Town of Algoma board members. The town clerk said the District items will be put back on the next agenda as Dick Spanbauer told her to put it on per Terry. Sue does not have a written statement from Terry yet, and Kevin asked to receive this in writing. The Town needs someone from the previous no votes to put it back on the agenda. Sue told Kevin she will write up something and have the board member initial it.
  - c) Audit for 2007
    - (1) The District's audit will be February 26 and 27<sup>th</sup> and Rose said she is all set for it.
  - d) Prepayment of bonds from Wisconsin Public Land State Trust Fund. Rose called Public Lands and faxed the prepayment letter to them as the mailing didn't receive them. This will be wired out in March.
- 7) New Business
  - a) Discuss Clean Water Testing drinking water educational program proposal.
    - i) Michael Hanten explained that they work with towns to help people test their wells and would like to make it easy for people to test their water and understand their results. The District would need to take a week to give out bottles and then when the results are completed; Michael Hanten with Clean Water Testing would come back and hold a public meeting to discuss the results. The prices of the tests are reduced to participants.
      - (1) Earl explained that he believes it is a good program; however, he is not willing to sponsor the program through the District. The District would be willing to be a pick up and drop off point for bottles and samples. Mike Gelhar said he agrees that a program like this is good, but is better off coming from the Town. Michael Hanten said the Town told him to go to the District with the program.
        - (a) Ray mentioned that the District has a water committee and this could be put on their agenda to see if they are interested in the program. Earl said the Town has done a study like this one a number of years ago. Michael said the results will be confidential and that the homeowner will be paying for the tests. Michael said that if the program is offered, it will be completed even if only a handful of

residents are interested in it. His goal is to reach the homes not hooked up to the District's water. Kevin will call Clean Water testing when the next water advisory meeting is.

- b) Review site plan for drinking water treatment facility #3.
  - (1) Strand has a site plan to submit to the DNR. Kevin is trying to put a couple of modifications on it. Reduce some asphalt and change the flag pole slightly different than shown. If everything shifts, there could be a few more parking spots.
- c) Discuss the preliminary design report from Strand Associates.
  - i) The square footage of rooms can change without the scope of the project changing. Earl said he recently learned that offices could be modular which would cut down on permanent walls. He mentioned these can be found used from companies going out of business. The offices are sound deafening and the non supporting walls could cut down on other costs and requirements also. Companies would rather sell these than throw them out.
- d) Discuss the well #3 site investigation report from Strand Associates.
  - i) This report has been submitted to the DNR and the DNR has a 25 day review process. By the time all the permits are obtained, the District should have a response from the DNR.
- e) Discuss and act on task order 08-01 for Strand Associates final design.
  - i) Earl thanked Kevin for the good work with the development, reviewing and revising of the task order. Kevin said he made some pretty big modifications inside the well house recently and Strand was ok with these.  
**Mike made a motion to approve task order 08-01 for Strand Associates' final design of well facility #3 and administrative building subject to the Town Board approval for the CSM, zoning and conditional use permits/second-Earl/carried unanimously.**
- f) Determine area to petition for water and sewer West of Horseshoe Road.
  - i) The District received a request to extend down for service and because of this would like to survey the other homes in the area to see what they want. Ray said he would prefer seeing all homes interested but there are several homes in the area which the District believes will say no and there would not be a lateral stubbed to homes not interested.
- g) Review the powers of the District according to WI Statute 60.77 (4) and (5).
  - i) Kevin highlighted the main points regarding what the District can and cannot do. Kevin said he just wants the Commissioners aware of and understand the statute.
- h) Discuss refinancing of State Trust Fund loan and GO notes.
  - i) Kevin said he talked to Dave Wagner with Ehlers. Kevin said Dave is doing a lot of work for the District currently and is striving to determine what can and cannot be refinanced. The GOB is due in 2013, and you cannot prepay this early. The District may wait until 2013 to refinance it even if it comes back at a higher rate. Public Lands could be refinanced at a lower rate now. Earl asked if refinancing would affect assessments the District has and Ray said they were based on the District's best estimate. Kevin will look into this and said the PSC could change rates based on this. Ray said to check with Rebecca of Quarles & Brady.
- i) Review proposals for office copier.
  - i) The District's current copier is 11 years old and may not last long. There is \$5,000.00 in the budget for a new copier. The District has proposals for digital copiers which also hook up to the computers. If the District is able to salvage the existing copier, it could be put in the records room.
    - (1) Earl asked what the toner cartridges cost and to evaluate this for the copiers. Rose said the copiers act as a printer and copier with scanning abilities and could fax, but there is an additional charge for the part. The copiers will print up to 11x17. For larger, you are talking more money.
      - (a) Earl said that he will send some contacts for service contracts. There are also lease agreements which Mike and Earl want to also look into. Ray agreed it may be better not to purchase the copier and that if you need to replace parts, it starts to add up. Earl said that Kevin has the authority to do what would be necessary for the District if the current copier breaks.

Respectfully submitted,

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Rose Mraz, Office Manager

Approved:

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Earl Lawrence, President

**Algoma Sanitary District #**  
**Regular Monthly Meeting**  
**Minutes – March 13, 2008 - 6:00 p.m.**

- 1) Commission President Earl Lawrence, with Commissioner Michael Gelhar present called the regular monthly meeting to order at 6:00 p.m. Also present were Ray Edelstein, Kevin Mraz, and Rose Mraz. Commissioner Alexander Irvine was excused.
- 2) Call to Order.
  - a) Earl noted that the District is using a tape recorder for the purpose of the minutes. No one else is using one.
  - b) **Mike made a motion to approve the minutes from the regular monthly meeting on February 17, as presented second-Earl/carried unanimously.**
  - c) **Mike made a motion to approve the cash receipts & investments for Sanitary & Water for March/second-Earl/carried unanimously.**
  - d) **Mike made a motion to approve the pending bills for March with the addition of Oshkosh Postmaster for \$369.00/second-Earl/carried unanimously.**
- 3) Public Forum
  - a) Mrs. Rost was in attendance. She is interested in the location of the sewer mains to the new Administrative Building and asked if new developments are going in. Kevin said he is still working on easements for the sewer mains and to date there has not been any developments or plats submitted to request service.
- 4) Director's Report
  - a) Review of District statistics
    - i) This was given out previously and there were no questions on it.
  - b) Correspondence
    - i) The District received the inorganic lab results back which again showed no detect for arsenic in the entry water at both well #1 & #2. Lead and copper results also came back with excellent low levels.
  - c) Status of 2008 projects.
    - i) Drinking water treatment facility #3 – no update other than what is on the agenda items.
    - ii) Water rate review by Public Service Commission – the District will submit the application for a rate change for 2008.
    - iii) Policy revisions requested by auditors for capitalization and sick leave.
      - (1) The auditors recommended having a written policy for capitalization and to expense smaller items. The auditors also recommend expanding on the sick leave policy for employees.
    - iv) Status of filling the vacant water/wastewater operator position. Kevin said that he interviewed a few applicants and is looking for a start date around the end of the month for a prospective employee. Kevin said jetting will be one of the first duties for the new employee and Earl and Mike agreed this would be a good way to learn the system.
- 5) Report from Committees
  - a) Water advisory council meeting. A meeting is tentatively planned for April 8. The district should be purchasing the land yet this month and then will be finalizing the site plans and would like to present the plans to the water advisory council. This would be mainly informational and would address issues prior to going to the Town for the site plan.
- 6) Old Business
  - a) Financial plan review with Ehlers which Dave Wagner put together. Dave has a family emergency and is unable to attend this meeting to discuss the cash flow schedules. Kevin said he is comfortable with the schedules. Kevin had Rose put together a couple of charts showing the District's debt compared to equalized value and one showing the ad valorem tax over the years. The commissioners appreciated the charts for the visual comparison.
  - b) The closing on the land purchase for water treatment facility #3 is set for March 21, 2008. The pending bill for this was approved.
  - c) Sanitary sewer route to water treatment facility #3.
    - i) Kevin is working with Sue, a land owner, who is discussing an easement with her lawyer. There are multiple family members involved in the decision. Kevin will call their lawyer to see if the lawyer has a timeline for planning in case it's a quick decision.
  - d) Audit for 2007.
    - (1) The office review is complete and the District should receive something on the 15<sup>th</sup>.
- 7) New Business

- a) Contract with a soil testing firm in relation to determining subsurface geologic conditions for the utility extension project.
  - i) MES turned in the lowest quote at \$4,999.50. The next quotes came in at \$10,450 and then \$12,600. The quote counts everything except a short portion of the sewer route as the District doesn't know where the sewer main will exactly be located yet. Kevin recommended awarding the bid to MES and said the District has worked well with them previously. MES will also look for rock so the District knows a cost up front. **Mike made a motion to award the soil testing to MES for the activities related to the preparation for facility #3/second-Earl/carried unanimously.**
- b) Grant a temporary construction easement to the Town of Algoma for Oakwood Road project. The town of Algoma is purchasing a larger right of way and their wider road would be in conflict with the district easement. The Town of Algoma will redo the ditches and the storm sewers that will go through the District's easements. Ray explained that the town needs to get into the District's easements to do what they need, and that they will not be moving anything of the District's. The Town would have to pay if something of the District's is damaged. Mike asked if the manholes will be in the roadway or still in the shoulder. Kevin said some that are close can be rotated slightly to stay out of the road. The District commissioners requested staff to inspect manholes and also televise this area after the work is completed. **Mike made a motion to grant a temporary construction easement to the Town of Algoma for the Oakwood Road project/carried unanimously.**
- c) Discuss and act on survey response from homes west of Horseshoe Road.
  - i) The District will be calling some home owners as the District didn't receive a response from everyone and there wasn't enough response to make a decision.
- d) Review proposals for office copier.
  - i) Rose told Earl it was helpful to discuss the purchase of a copier with the additional companies as he requested; however, their proposals came in higher. Rose said she obtained 5 proposals and Advanced Office Systems came in with the lowest bid for a Sharp digital copier. Rose said that Rhyme also quoted this copier; however their proposal is higher. This copier should work well for the District's current and future needs. Dan Mingus, owner of Advanced Office Systems offered a contribution of part of the cost for the new copier to the District; therefore his proposal came in the lowest. Mr. Mingus is also waiving up to \$740.00 of the cost for the service contract for the first year. **Mike made a motion to purchase the Sharp document system from Advanced Office Systems/second-Earl/carried unanimously.**
- e) Discuss requirements of the conditional use permit. Mrs. Rost was also interested in the conditional use permit from the County. Earl said the only item that is unique on the permit is the County requiring the District to offer various tests for drinking wells within a ¼ mile of the location. Specifically the County is requiring the District to obtain the services of a licensed drinking water well inspector to inspect and provide a written report of all drinking water wells within ¼ mile radius from where well #3 will be drilled. Kevin told Mrs. Rost that any property that intersects the radius will be offered the service which will be at the District's cost. The County said the testing is voluntary for the owners. Kevin said the District will send out a letter later this month offering owners the testing and also the option to opt out if they are not interested. The District will consider homeowners not responding as not interested but will try to obtain signatures from all affected owners. No verbal requests will be allowed. Mrs. Rost wanted to know if she would need to have her water tested for arsenic as she is only interested in the water level. Kevin said that the County is requiring all 3 tests if homeowners are interested and this will affect approximately 15 properties.
- f) Adjourn - **Mike made a motion to adjourn at 7:00 p.m./second-Earl/carried unanimously.**

Respectfully submitted, \_\_\_\_\_  
Rose Mraz, Office Manager

Approved: \_\_\_\_\_  
Earl Lawrence, President

**Algoma Sanitary District #**  
**Regular Monthly Meeting**  
**Minutes – April 8, 2008 - 6:00 p.m.**

- 1) Commission President Earl Lawrence, with Commissioner Alexander Irvine and Michael Gelhar present called the regular monthly meeting to order at 6:00 p.m. Also present were Kevin Mraz and Rose Mraz.
- 2) Call to Order.
  - a) Earl noted that the District is using a tape recorder for the purpose of the minutes. No one else is using one.
  - b) **Alex made a motion to approve the minutes from the regular monthly meeting on March 13, as presented second-Mike/carried unanimously.**
  - c) **Alex made a motion to approve the cash receipts & investments report for Sanitary & Water for March/second-Mike/carried unanimously.**
  - d) **Alex made a motion to approve the pending bills for April as presented/second-Mike/carried unanimously.**
- 3) Public Forum
  - a) No one from the public in attendance.
- 4) Director's Report
  - a) Review of District statistics
  - b) Correspondence
    - i) The District received a letter from the Public Service Commission which basically discussed unsold water. The Public Service Commission is targeting conservation at the direction of the governor. They sent a letter indicating the District had 23% unsold water in 2006. Kevin put together a response to the letter explaining much of this is due to the fact of being a new utility which required more flushing. For 2007, the District's unsold water is down to 19%. The District accounts for unsold water and can account for all but 10% of pumped water for 2007 which is due to numerous reasons – such as leaks and filling laterals. The District's numbers are right on when compared with other utilities.
    - ii) Coenen Mechanical sent a letter regarding the type of steel they used at well #2. They sent a quote to repair some of the stainless steel at \$3,300 which Kevin didn't like so he sent them a letter which they responded to. Kevin asked them how long they were going to warranty their work before it leaks and they said they do not see a problem with their work. Kevin is not anticipating hiring them at this price. The District may require ductile rather than stainless in the new well and Earl added that the steel used is compatible with chemicals used in the well house. All leaks have occurred at the heat affected zone of the welds. Well #1 has no browned areas on the welds and has had no leaks and the same type of material was used at well #2. These leaks are small but create visible moisture buildup. The district believes the problem is the welding and not the material used.
  - c) Status of 2008 projects
    - i) Drinking water treatment facility #3
      - (1) Drainage plan
        - (a) Kevin sent out the preliminary drainage plan last Friday to the Noebel's. The District wanted to show them where a 3 to 1 slope would be. Originally they wanted a 15 to 1 slope and changed their mind and the District is waiting to see if the current drainage plan works for their lot #2 on the CSM. This is the final requirement from them prior to adding to the Sanitary District. Kevin won't hire Strand to do the final drainage plan until they are ok the plan.
        - (b) Winnebago County specked out an 18" culvert for the drainage at Witzel and Horseshoe.
      - (2) Site review committee – Nothing at this time. Will start after meeting with the Water Advisory Council.
    - ii) Water rate review by Public Service Commission
      - (1) To file for a rate hearing in 2008, the paperwork needs to be in by August. Currently the District is in the process of filling this paperwork out. Ehlers put together a long range financial review which the District will use to assist in water rate determination.
    - iii) Permit acquisitions for drinking water treatment facility #3
      - (1) DNR Well #3 sitting – The District has been talking to the DNR about the retention pond and the setback being 400' to the well. The DNR said verbally they will give a variance to this.
      - (2) Addition to Sanitary District on April 16, 2008 Town of Algoma board agenda
        - (a) Once this is complete, the District can close on the land purchase.
- 5) Report from Committees
  - a) The District will work on setting a date for the Water Advisory meeting.

- 6) Old Business
  - a) Closing of land is set for April 17, 2008. No action currently.
  - b) Sanitary sewer route to water treatment facility #3
    - i) Kevin will be meeting with property owners to plan the sewer route.
  - c) Audit for 2007
    - i) The audit is completed and the information was given out. The District will set up a meeting with the auditor. John with Virchow Krause previously said he would attend a meeting to discuss their recommendations. The District decided to hold a separate workshop.
  - d) Discuss and act on survey response from homes west of Horseshoe Road.
    - i) Two homes north of Horseshoe would like sewer. Until the sewer mains are planned, there is no action needed. The District would like some cost estimates first.
- 7) New Business
  - a) Well #3 drilling contract
    - i) The District opened the bids. The bids came in at \$142,000, \$173,000, \$182,000, and \$217,000. Bill Van De Yacht had the lowest bid and does work in the area. Bill Van De Yacht was prequalified but his bid needs to be verified that there is no math error. This will not be awarded until the land is owned. The District has 85 days to award the bid.
    - ii) Town of Algoma Road Developer's agreement
      - (1) The District is waiting for the document from the town for this. One of the Town's requirements for a conditional use permit is a road developer's agreement. The Town Clerk was sending the information to the Town's lawyer as they do not do this in house. As soon as the District receives the document from the Town, Kevin will have Ray and the Commissioners review it to meet their requirements.
- 8) Adjourn
  - a) **Mike made a motion to adjourn at 6:45 p.m./second-Alex/carried unanimously.**

Respectfully submitted, \_\_\_\_\_  
 Rose Mraz, Office Manager

Approved: \_\_\_\_\_  
 Earl Lawrence, President



**Algoma Sanitary District #  
Regular Monthly Meeting  
Minutes – May 8, 2008 - 6:00 p.m.**

- 1) Commission President Earl Lawrence, with Commissioners Alexander Irvine and Michael Gelhar present called the regular monthly meeting to order at 6:00 p.m. Also present were Kevin Mraz, Joel Edson, Ray Edelstein and Rose Mraz.
- 2) Call to Order.
  - a) Earl noted that the District is using a tape recorder for the purpose of the minutes. No one else is using one.
  - b) **Mike made a motion to approve the minutes from the regular monthly meeting, as presented/second-Alex/carried unanimously.**
  - c) **Mike made a motion to approve the cash receipts & investments report for Sanitary & Water for April/second-Alex/carried unanimously.** Kevin discussed the interest rates on the CDAR's which currently is 2.2 and the Local Government Pool has been over 3%. Joel mentioned that the bank may pay a higher rate on CD's but they should be collateralized. **Mike made a motion to authorize staff to close out the CDAR purchased April 24 for 647,004.26 and April 24, 2008 for \$500,000.00 and reinvest \$1.1 million to the Local Government Pool or the bank whichever offers the better rate of interest.** The bank would need to collateralize the funds. Staff will put together a formal investment policy for the District.
  - d) **Alex made a motion to approve the pending bills for May as presented/second-Mike/carried unanimously.** Earl noticed the bills were higher, but he noted it was due to sewerage treatment to the City of Oshkosh.
- 3) Public Forum
  - a) No one from the public in attendance.
- 4) Director's Report
  - a) Review of District statistics – This was given out previously
  - b) Correspondence
  - c) Status of 2008 projects
    - i) Steve Kluesner with Strand Associates will be sending PSC the notice of construction showing 100% of the cost to be paid by the water utility.
    - ii) Sewer jetting is progressing. Staff is completing about 11 sections (manhole to manhole being a section) each day. Great Lakes Televising is scheduled to come late next week to start televising everything jetted to date.
    - iii) L. W. Allen came in today to start to update panel views in the office and the wellhouses to make them user friendly.
    - iv) Leonards Pump upgrade.
      - (a) The District is applying to the DNR for the approval to upgrade the pump size at this station. The District is looking to go to 560 gpm pump. The meter would go from 5 hp to 7.5 hp and the breakers and starters on the panels may need to be redone. The entire panel would not be redone. Shane Zenz will verify that the generator will be large enough to handle the larger size. Leonard's Pump was designed in 1979 and the current demand is 406 gpm coming into this flow station. This is at peak flow times now. New flows will consist of Bellhaven 4<sup>th</sup> developing as well as the condos for Russ Williams and an additional 40 acres that could flow to this station. The force main currently flows at a speed of 2.3' per second and would be increased to 3.7' per second. The force main is large enough and can handle 8' per second.
        - (i) Strand is recommending going to a bid spec for this work rather than using multiple companies to piece out the work.
    - v) Kevin is looking at the Shorehaven Pump upgrade for 2009.
      - (1) Discussion about Shorehaven ensued and Earl said that he thought that Kathy with Strand previously did a study of the pumping stations about 10 years ago indicating that the District was at the max with the pumps for the force main. Earl asked Kevin to look over the previous study before Strand does a new study. Kevin will obtain a copy and look this over.
        - (a) Kevin said the end of the force main looks in good condition. The only change would be due to the size adjustment.
      - vi) The town is setting up a site review committee. The District will be applying to the Town of Algoma for the site review of the new project.
  - 5) Report from Committees
    - a) There was no water Advisory meeting to report on. The District will set the next meeting up during May.

6) Old Business

- a) Closing on land purchase for water treatment facility #3.
  - i) This is set for May 14 at 3:00 p.m. with everything falling into place. Ray will be talking to Assurance Title about lot #2 purchase. The cost for lot #2 is \$27,000 and keeps the District in line with what was budgeted for this. Kevin asked for direction as to what to do with lot #2 after the purchase as there currently are 3 options:
    - (1) Use for ourselves and put the storm water retention pond there. Ray is against this for the liability issues as it is too close to the road and is visible plus Strand's cost to redesign. Kevin agrees the liability is too high.
    - (2) Underground storage. The engineer says this site would work for this. Kevin said there is a flaw to this due to the designing of the pump for the new building. You need high pressure pumps to discharge into the pressurized system. This high pressure pump would discharge into a zero PSI tank and require to be pumped to pressure again. This would be a waste of energy.
    - (3) Maintain the ditch and give the District an easement and then put the lot on the open market as a residential lot. It's basically .9 acres.
  - ii) The Commissioners decided to hold lot #2 for now as it could be sold in the future as the cost is not that high. It was decided to landscape the lot for a future residence.
- b) Sanitary sewer route to water facility #3
  - i) Mr. Rasmussen agreed to give the District an easement to go through 30' of his property and he said he would not charge the District for this. Kevin is working with several parcel owners to obtain easements in order to get the sewer route to Witzel.
- c) Review and act on well #3 drilling contract 1-2008 bids received.
  - i) No action at this time.
- d) Town of Algoma - Road developer's agreement.
  - i) The Town's attorney sent a note that the District needs to own the land before this is drawn up. Kevin asked for a draft to see what the agreement is about and to prepare ahead; the Town may not have a boiler plate agreement to send over. **Alex made a motion to grant the Utility Director the authority to sign a Town of Algoma road developer's agreement as necessary to facilitate the construction of facility #3/second-Mike/carried unanimously.**

7) New Business.

- a) Pay request from Don E. Parker for Bellhaven rock removal.
  - i) Ray discussed the letter that Pat Rank drafted regarding the contract indicating that the District will not pay additional costs for rock removal and said Pat laid out the contract regarding their issues. Kevin is looking for the commissioners' acknowledgement of the pay request and denial of the pay request. Kevin said he is in agreement with the letter as the District paid the contractor based on the higher linear footage that they removed so they did make the money for the larger job. Ray is fine with having Pat send the letter out and the commissioners agreed.
- b) PSC update regarding contributed plant versus utility financed plant.
  - i) Rose said she talked to Kathy at the PSC and Kathy indicated that the deferred assessments are dollars that are considered contributed capital and it must go this way. Ray said that the PSC and the auditor disagree on the placement of deferred assessments. The PSC said these are contributed capital in the year assessed whether they are received or not.
    - (1) Rose said that Kathy indicated that going this way is correct and that they look at the overall picture when they determine a rate increase. Kevin indicated that the auditors wanted these to stay as utility financed plant because on the rate application, it seems the easiest way to obtain an increase is to use the rate of return on utility financed plant. Ray and Kevin recommended following the PSC and the Commissioners agreed.
- c) Water rate review by Public Service Commission.
  - i) Rose and Kevin discussed the rate application form, specifically attachments 14 and 20 and how the numbers were arrived at. Rose asked the Commissioners for direction as to financing of the new plant in order to go further and complete the application form. There are a number of questions which need to be answered.
    - (1) Will this be financed 100% by the water utility?
      - (a) Rose said that at the meeting with the District's auditor and financial expert that they agree with this and the auditor leaned towards this method for financing. The Commissioners agreed to have the water utility finance the entire project.

- (i) Ray stressed that the Sanitary District will be the owner of the building and not one of the utilities.
- (b) Will the sanitary utility loan the water utility funds?
  - (i) The Commissioners agreed to have the sanitary utility loan funds to the water utility. Everyone present agreed as this will reduce the overall cost of the project to the public as there is no immediate sanitary utility need for the funds. The Commissioners agreed to charge interest on the funds at a blended rate between what the local Government pays and the anticipated bonding rate with a balloon payment not due for 10 years. In 10 years, the loan will be looked at again. Kevin noted that the sanitary budget previously committed 1 million to the project. It was determined to use the \$800,000.00 existing bond funds, and then sanitary funds, then the new bonding as this will reduce overall interest. The water utility will pay the sanitary utility annual interest during June of each year.
  - (c) The sanitary utility will pay rent on an annual basis with what works the best for record keeping and funds coming in.
  - (d) Ray said once these minutes are approved; keep these with the records for backup as a formal lease is not needed.
- ii) Kevin said the District needs to work out with the PSC as to how to breakdown any anticipated rate increase. It could be fire protection, meter fee, water cost, or a combination. Joel indicated that the portion of fire protection the Town takes has been set.
  - (1) Ehlers's cash flow analysis recommended that the District needs 30% increase over the next 2 years and the Commissioners agreed to use their recommendation. Mike said based on not increasing for the last 5 years he is also fine with the 30%
- d) Consumer Confidence Report
  - i) A draft copy was handed out for comments as the District wants to send this out during June.
- e) Sunkist Road sewer extension
  - i) There are 5 parcels on Sunkist without sewer and the District sent out a survey to see if they are interested in sewer as the Town is redoing Sunkist Road and will receive bids in June for the road. Currently 1 person responded wanting sewer.
- f) Approve CMAR report to submit to DNR
  - i) **Mike made a motion to approve resolution 2008-5-1 to approve the CMAR report as submitted by staff/second-Alex/carried unanimously.**
- g) Brooks Lane lateral leak.
  - i) There is a leak coming from 1337 Brooks Lane and the District will check where the leak is. This is in the homeowner's lateral, but the District wants to see if it is between the cleanout and the main as then it could be repaired from the main, but if closer to the house, there would be a different method necessary. Kevin asked if the District should do the work and bill them or tell the homeowner to hire a contractor to repair it with the District inspecting it. Earl said if it is in the right of way, the District should repair and bill the homeowner. This lateral would be best fixed internally due to the water in the area.
  - ii) The district will work on updating the sanitary ordinance for this type of work.
- 8) Mike requested to move next month's meeting. The Commissioners chose to move the meeting to June 19.
- 9) Adjourn
  - a) **Mike made a motion to adjourn at 6:45 p.m./second-Alex/carried unanimously.**

Respectfully submitted, \_\_\_\_\_  
Rose Mraz, Office Manager

Approved: \_\_\_\_\_  
Earl Lawrence, President

**Algoma Sanitary District #**  
**Regular Monthly Meeting**  
**Minutes June 19, 2008 - 6:00 p.m.**

- 1) Commission President Earl Lawrence, with Commissioners Alexander Irvine and Michael Gelhar present called the regular monthly meeting to order at 6:00 p.m. Also present were Kevin Mraz, Joel Edson, Ray Edelstein, Ken Neubauer, Rose Mraz, Robert Olejnik, and Clarence & Sandra Marcellis.
- 2) Call to Order.
  - a) Earl noted that the District is using a tape recorder for the maintenance of the minutes. No one else is using one.
  - b) **Alex made a motion to approve the minutes from the regular monthly meeting of May 8, the special meetings of May 20 and May 29/ as presented/second-Mike/carried unanimously.**
  - c) **Mike made a motion to approve the cash receipts & investments report for sanitary & water for May/second-Alex/carried unanimously.**
  - d) **Alex made a motion to approve the pending bills for June as presented/second-Mike/carried unanimously.**
- 3) Public Forum – The public in attendance are here to discuss Sunkist Road sewer extension.
- 4) Director's Report
  - a) Review of District statistics.
    - (1) The Town of Algoma is doing Oakwood Road and it will have a DOT inspector. There were 6 line items regarding the District's valves and manholes. Specifically there was a cost to adjust water services at a charge of \$185.00 each for a total of \$5,365. Kevin said he is looking at doing 3 to 4 of the items with our personal staff. If the contractor for the Town of Algoma does everything on their own, the District's charge would be \$24,540 for the Oakwood Road project. There are a few manhole risings that we may let them do on their own so they bring it up to grade and do their own compaction around the manholes. This way there will be no concern about compaction later. They will adjust the manhole to the exact grade that they want. The District should be able to work this out with the contractor.
      - (a) Kevin said he told Pat that our staff will do part of the work. The District will need to do the coordinating of the work with the DOT and with the contractor who is R&R Wash.
      - (b) R&R Wash contacted the District previously looking for a dump site and Kevin told them about our well site and told them to contact our well drillers in case they want to do the road for the well drillers as the work is happening at the same time.
    - ii) The District received the warranty deeds for the lots on Witzel.
    - iii) Kargus appraisal came in and will give the District two quotes on our current administration building, one for R1, and one if it gets rezoned to commercial.
    - iv) Great Lakes Televising will be sending quotes for the sewer main repairs. There is a major crack in the main on Lake Breeze which goes under a driveway. It is 10' down and 1 foot into the driveway. You have to dig under the driveway and it will be costly. Great Lakes gave a verbal quote of \$4,000 to \$5,000 to line this. Kevin called the county to obtain a quote for asphalt.
    - v) The District submitted the site plan to the Town for their review of the new building.
  - b) Correspondence.
    - i) Earl asked if the District had phone calls regarding the newspaper article or water rate hearing. Kevin said the District had a verbal call from Russ Williams and he said he is fine with the rates as it is still less than the City of Oshkosh. One gentleman called up as he was upset with a finance charge on his past due bill which Rose said she handled as he did not receive the bill from his developer timely. After this he mentioned he was not happy with an increase to the water.
    - ii) Due to the storm, the owner of 2860 Sheldon called and told us he sampled their water and it is unsafe. He does have municipal water available if he is interested and asked how to hook up and Kevin explained with the 1 hour emergency Diggers hotline locate, he could hook up quickly. He has not contacted us since then.
  - c) Status of 2008 projects.
    - i) Water rate review by Public Service Commission. The application was sent in.
- 5) Report from Committees.

- a) Water Advisory Council. Earl said there was a good meeting, but no requests for additional work.
  - 6) Old Business.
    - a) Sunkist Road sewer extension.
      - (1) Kevin gave a quick overview of this project and indicated that the Town of Algoma will be paving Sunkist Road; therefore, the District tried to be proactive and would like to see the utilities installed prior to a new road, rather than in a few years after a brand new road is in.
        - (a) Earl indicated that last evening at the Town meeting; the Town Board passed a resolution that made the road construction contingent on the Sanitary District putting in the sewer line. Earl said they indicated that they will repave if and only if the Sanitary District installs a sewer line and expressed their desire for the Sanitary District to do so. The urgency is that the Town chairman has obtained approximately a \$60,000 grant to put the pavement in for only that section of the road and the road has to be constructed by the end of the year or they lose the grant.
      - (2) Mr. Olejnik mentioned that his house is up on the hill and shouldn't be real expensive. Kevin said the design work has not been completed yet as there is a cost to this. Mr. Olejnik also indicated that he does not want to hook up within 6 months as the District's ordinance indicates. Earl indicated that the County says that within 6 months if there is a sewer line, residents must hook up and that the District cannot waive this.
      - (3) Kevin said he sent out a survey and received the responses and originally only 1 out of the 5 said they wanted sewer. After the District sent out a mailing that the extension wouldn't go, 2 additional residents sent in their response saying they are interested. One indicated they are willing to pay for the assessment but do not want to hook up. The 5 parcels are not in the Sanitary District at this time.
      - (4) Earl said the Commissioners need to authorize staff to obtain the actual costs which must be determined this evening and the Town would need to have a meeting to add the parcels to the Sanitary District before the sewer would be constructed.
      - (5) Currently the project could be added on to another contract at a lesser cost. The District installs the main to the property line. Mr. & Mrs. Marcellis present were for the sewer. She asked if the District could give Mr. Olejnik a quote for the cost if the extension is done in the future and Earl said the District really can't guess; however, in a general sense it is generally more expensive if you wait. Mr. Marcellis asked if all 5 homes hook up at the same time and get the same person to do the work, would they get a break and Ray said chances are it would reduce the cost.
    - ii) Ray stressed to have everyone sign the waivers if the extension goes, as there would be additional costs and time involved without them. Mrs. Marcellis asked if this doesn't go through now, and a resident requests this at a later date, if she would be forced to hook up then. Earl said that everyone could be assessed to get to the property needing the sewer. She prefers the forcing be done at the current time before prices increase.
      - (1) Kevin said just around the corner, a septic system was condemned and the District does see the problem coming up. Mr. Olejnik said he wants to see the exact cost to see if he will change his mind and be for the extension. Kevin stressed the District would, as always, complete the least expensive design for the extension. The Town needs a 30 day notice to add the property and Kevin said the residents will have numbers in hand by then to decide. By the time of the public hearing, they will have everything needed to help them make their decision.
    - iii) **Alex made a motion to instruct staff to obtain the engineering estimates and verify the loan costs to provide the residents a set estimate/second-Mike/carried unanimously.**
    - iv) **Mike made a motion to petition the Town for the addition to the District for the affected parcels/second-Mike/carried unanimously.**
- 7) New Business.
  - a) Discussion of storm events emergency response.

- i) Earl and the commissioners commended Kevin and his staff for a job well done. Earl said the overtime was a given and he appreciated knowing Kevin and the operators were handling the situation. Earl said the Town Board also gave praise at last evening's meeting that they appreciated the work the Sanitary District did to help the residents.
  - (1) Kevin said staff was great and called him checking in where they could help. One operator went home after work, packed an overnight bag and came back almost immediately as he knew he may not have been able to travel during the storm later. Kevin said the operators did a great job working throughout the 2 storms to prevent serious backups. The District had additional costs and received only 2 notices of sewerage in basements.
  - (2) The District will compile costs for possible reimbursement from FEMA.
- b) Strand engineering agreement 08-02.
  - i) Kevin discussed this task order which covers all the engineering, site inspection and the final O&M manuals and startup services and observations for the entire project of the water treatment facility, administration building and site work and grading except for the sewer and water utility to go from the lift station to the site and the water main on Witzel. Kevin had this task modified multiple times. The current amount due would be 231,000 with one additional task over this cost for 9,500 for the drainage ditch requests for lot #2 from the Noebel's.
    - (1) Ray is concerned with part of the task order, specifically page 3 under C, and page 1 # 10 11, & 12. Ray asked where 12 deals with a future utility extension. Kevin said number 12 has been completed and the original task orders never had a 12 and the wording may be incorrect on the current task. Ray said to ask Strand why it is there and the commissioners could approve the task order subject to clarification. Ray said #12 is too broad and to clarify the last line of page 1 which talks about #12 and to see if they are talking about #12 on page 1 or #12 on page 3. If #12 on page 3, this is completed, if #12 on page 1, it makes sense. **Mike made a motion to approve task order 0802 providing that the reference on the bottom of page 1 is clarified to mean item 12 on page 1-second-Alex/carried unanimously.**
- c) Investment policy
  - i) Joel said to outline in detail the type of instrument the District expects to use. – CD's CDAR's, Local Government Pool, and who is authorized to make the investments. Once the policy is in place, it would allow for investments consistent with this. Ray said to make changes a part of the agenda. The policy can reflect changes to meet cash flow required such as bond payments.
- d) Adjourn
  - i) **Mike made a motion to adjourn at 6:45 p.m./second-Alex/carried unanimously.**

Respectfully submitted, \_\_\_\_\_  
 Rose Mraz, Office Manager

Approved: \_\_\_\_\_  
 Earl Lawrence, President

**Algoma Sanitary District #**  
**Regular Monthly Meeting**  
**Minutes July 10, 2008 - 6:00 p.m.**

- 1) Commission Secretary Alexander Irvine with Michael Gelhar present called the regular monthly meeting to order at 6:00 p.m. Commissioner Earl Lawrence was excused. Also present were Kevin Mraz, Ray Edelstein, Joel Edson, and Rose Mraz.
- 2) Call to Order.
  - a. Alex noted that the District is using a tape recorder for the maintenance of the minutes. No one else is using one.
  - b. **Alex made a motion to approve the minutes from the regular monthly meeting for June as presented/second-Mike/carried unanimously.**
  - c. Rose pointed out the CDAR's that were switched to certificate of deposits during June to obtain a better interest rate. The certificates of deposits are all collateralized. **Alex made a motion to approve the cash receipts & investments report for sanitary & water for June/second-Mike/carried unanimously.**
  - d. **Mike made a motion to approve the pending bills for July as presented/second-Alex/carried unanimously.**
- 3) Public Forum – There was no public in attendance at this meeting.
- 4) Director's Report.
  - a. Review of District statistics.
    - i. There is a meeting scheduled for Monday morning with FEMA pertaining to the storm. Rose and Kevin will be attending this. There's a spreadsheet started for the District's costs due to the storm and the additional payroll costs.
    - ii. Mike asked if they reimburse for the time District's trucks used during the storm. Rose said that they said to include time for the District's equipment, and she'll check on trucks also.
    - iii. The District has not received any claims from residents due to the storm.
  - b. Correspondence. – There was no correspondence received this month to address.
  - c. Status of 2008 projects.
    - i. Water rate review by Public Service Commission.
      1. Kevin said he had a conference call today with Kathy Butzlaff of the PSC, Dave Wagner and Rose. Dave explained to Kathy the District's long term cash flow which is the last step that Kathy must review prior to giving her rate increase proposal for our Utility.
    - ii. Drinking water treatment facility #3.
      1. Schedule.
        - a. The contractor will mobilize on next Monday. The contracts will be finalized tomorrow. Van de Yacht just brought in their insurance documents today.
        - b. There was discussion regarding an initial internal groundbreaking for historical purposes.
        - c. The current bid date is September 24, but depending on the easements, there may need to be a delay to the building.
      2. Bonding.
        - a. The District needs to have all costs in hand to obtain bonding. The Sanitary mains do not have to be bid, but the District needs to know the cost.
      3. Sanitary sewer route to water treatment facility #3.

- a. Kevin is working with developers regarding the sewer route and he said the developers are actively working on their developments, but it is too early yet to give a time line for this.
  - iii. Water sampling project.
    - 1. The samples from the ¼ mile radius around well #3 have been taken and reports will be coming next week.
  - iv. Lake Breeze sewer main repair.
    - 1. The District completed the Lake Breeze sewer main repair this week. The sanitary main under the driveway had a leak. Kevin is going to let this driveway settle for a couple of months and then the District will rip out all the asphalt and put in new asphalt.
      - a. The operators said when they read the times for Shorehaven today, there was a 1 hour reduction since the last time the pumps were read. This may add up to a substantial savings. Each pump looked like 1 hour less, but with the current flow changes, it's hard to tell how much savings yet.

5) Old Business.

- a. Sunkist Road - sanitary sewer extension for parcel #'s 002-0014-04, 002-0014-08, 002-0014-09, 002-1354, and 002-1353-01.
  - i. Review three quotes received for the project – The costs have come in higher than expected.
    - 1. Jossart – \$71,950, Parker – \$65,050, and Advance – \$62,220. These were for the 400' of sewer extension for the 5 homes. Kevin worked up the entire cost and breakdown. The actual cost on rock is unknown at this point. It would cost an additional \$4,000 to go to public bids (it is unknown if the costs would come down). The contractors listed, have been the lowest bidder for different District projects.
    - 2. Kevin is looking at putting in a different slope for the main to possibly reduce the cost, but first the houses need to be surveyed for the first floor elevation to be sure the sewer would be at the right grade. It could allow 5 less feet to dig. Originally the District estimated \$71.00 per foot and currently it comes to over \$100.00 per foot. Mike asked what the lower footage would save, but Kevin doesn't really know, and could only guess the best would be to knock down construction cost 25% maybe.
  - ii. Commission current options - Do the survey for the elevations and try to obtain a better quote, go with the current dollar values, or stop the project at this point. Ray recommended talking to the residents and Alex and Mike agreed. Ray said there's not enough residents involved to justify the cost to bid out the project. Kevin doesn't believe this project will happen at the current rates. It was recommended to check the elevations and obtain a new cost.
  - iii. Discuss schedule for Town of Algoma's public hearing for petition for addition to the Sanitary District.
    - 1. Ray recommended having the Town accept the petition for addition to the District and cancel the public hearing if the residents are not interested. Alex and Mike agreed.
    - 2. Ray recommends also having the waiver signed by everyone if they are interested in going forward.
  - iv. Adopt Preliminary Resolution # 2008-7-1.
    - 1. This is tabled for a future date. The preliminary and final resolution can be completed on the same day with the waiver of public hearings.
- b. Review and act on District Investment Policy.



- i. Staff drafted an investment policy. Ray recommended some changes which Rose will make and then send out for comments. One change was to have the District treasurer look over bank statements quarterly.
  - ii. Rose will contact the District's auditor to have them check the policy as it was based on their recommendation.
- 6) New Business
- a. Strand agreement to upgrade Shorehaven lift station.
    - i. The District received a contract from Strand to do the complete services of design bidding and construction. They will evaluate the future flows to the station and evaluate the peak discharge rate that the District would be discharging including doing the bidding and construction related inspections and submit the mylar after completion at \$25,000. This is a not to exceed hours. Kevin said that staff may be able to save some time by opening the bids ourselves but it will still be close to the \$25,000.
      - 1. The price seems high as a trailer mounted bypass pump would cost \$32,000, but the trailer is not a permanent fix. The District has money budgeted for this work. The equipment cost is over and above Strands engineering.
    - ii. Kevin said the District needs this upgrade as there are many times where the wet wells are filling up and you have 2 pumps running and you are maximizing the lift station. The District needs dedicated pumps in the lift station to handle these flows. Mike asked if there were 3 pumps there yet, which there is. Kevin said you don't want to have to rely on a trailer mounted pump and bypass to the force main. This would be an emergency set up, but not routine.
      - 1. Mike mentioned having Shane Zens check also to be sure the generator will handle the extra size.
      - 2. Shorehaven generator has run great during many power failures and maintenance schedule.
    - iii. **Alex made a motion to approve the contract from Strand dated July 7, 2008 titled Agreement for design services, bidding related services and construction related services for the Shorehaven Pumping Station upgrade (showing \$25,000 for all 3 items)/second-Mike/carried unanimously.**
  - b. View Kargus's appraisal of our Administrative Office at 1220 Oakwood Circle.
    - i. Their report gives multiple reviews showing rent for the building versus FMV. Kevin will send a letter to the Town to see if they are interested in purchasing the property. Ray recommended sending them a letter and proposes if they want the building, offer them an option and give them 45 days to accept following the day the District moves.
  - c. Adjourn - **Alex made a motion to adjourn at 7:15 p.m./second-Mike/carried unanimously.**

Respectfully submitted, \_\_\_\_\_  
 Rose Mraz, Office Manager

Approved: \_\_\_\_\_  
 Alexander Irvine, District Secretary

**Algoma Sanitary District #**  
**Regular Monthly Meeting**  
**Minutes - August 14, 2008 - 6:00 p.m.**

- 1) Commission Secretary Alexander Irvine with Michael Gelhar present called the regular monthly meeting to order at 6:00 p.m. Commissioner Earl Lawrence was excused. Also present were Kevin Mraz, Ray Edelman, Joel Edson, and Rose Mraz.
- 2) Call to Order.
  - a. Alex noted that the District is using a tape recorder for the maintenance of the minutes. No one else is using one.
  - b. **Alex made a motion to approve the minutes from the regular monthly meeting for July as presented/second-Mike/carried unanimously.**
  - c. **Mike made a motion to approve the cash receipts & investments report for sanitary & water for July/second-Alex/carried unanimously.**
  - d. **Mike made a motion to approve the pending bills for August as presented/second-Alex/carried unanimously.**
- 3) Public Forum – Mr. Miller, 1961 Sunkist Road attended the meeting to discuss the Sunkist project.
- 4) Director's Report.
  - a. Review of District statistics – given out previously.
  - b. Correspondence. - None
  - c. Status of 2008 projects.
    - i. Water rate review by Public Service Commission.
      1. This will be September 9 at 3:30 p.m. at the District office.
    - ii. Drinking water treatment facility #3.
      1. Schedule.
        - a. The drilling on site is moving along. The depth of the well casing needs to be at 280' which is great news as it is 6' less than projected in the bids. The alignment is straight and they are going about 20' a day and are at 150' now. Next, the casing pipe will be installed, and then a slurry mix will go around it to seal the pipe. After this, they will drill the rest of the hole through the bottom of the casing.
        - b. They are starting about 7:30 a.m. and shutting down at decent hours. There haven't been any complaints regarding noise.
      2. Bonding.
        - a. The initial bond resolution may be completed October 9; Dave Wagner will attend this meeting.
      3. Bid opening.
        - a. The District is looking at opening the Administration Building quotes the end of October so that by November the District will know what the actual cost will be and have a good idea what the actual bonding is to see where the District is financially. The site plan review committee meets August 27 in case there are some changes requested.
      4. Sanitary sewer route to water treatment facility #3.
        - a. This is still being worked on. The District has the signed easement from Ron and Karen Miller. The other 2 easements are in the process. One developer is waiting for wetland delineation and the other developer is working on layouts for their development. The plats haven't gone through the Town yet.
    - iii. Oakwood Road construction.
      1. The storm sewer main was completed today after they lowered 3 of the District's water laterals to prevent freezing. Next they'll be installing the storm sewer laterals and then this should be the end of interference with water laterals.
      2. The District will be working with the contractor and raise 5 manholes with donuts to bring them up to grade for the project. R&R Wash will raise the other manholes that don't need much grading. After the project is completed, the manholes will be sealed to prevent leaking.
    - iv. Water sampling project.
      1. The sampling project for the ¼ mile around the well house was completed prior to beginning the drilling. Jeff Rasmussen did this for the District.
    - v. Brooks Lane lateral repair.
      1. There is a discontinued lateral that will be repaired next month prior to the road pavement.
    - vi. Sanitary lift station upgrades.

1. The District received the DNR approval for Leonard Pt. Lane upgrade to 7.5 H.P. ITT FLYght will be sending a quote for these at approximately \$6,100 each. Mike asked if the generator can run these and Kevin said that Shane Zens with Strand verified that it will work. The District's previous pumps are extinct and you cannot get replacement parts. The District will check if other District's would like to purchase these for parts or if they can be used at Bellhaven.
- vii. GPS survey of all water valves hydrants and manholes.
1. Kevin is working on obtaining the GPS location of manholes. Strand will borrow the District their hand held GPS locator for surveying the week of October 6. The District needs to exercise all the water valves which is a 2 person job, so this is a good time to do the locating. After the information is entered in the GPS, Strand will verify the as built documents. Eventually the District will purchase a GPS locator for less than \$500.00. Ray recommended contacting the Garmin site for their software and support as they have a good reputation. This current work will be well worth the effort in the future.
- 5) Report from Committees.
- a. Water Advisory Council.
    - i. The District will set up a meeting for September.
- 6) Old Business.
- a. Sunkist Road - sanitary sewer extension for parcel #'s 002-0014-04, 002-0014-08, 002-0014-09, 002-1354, and 002-1353-01.
    - i. Mr. Miller said he had a couple of conversations with Kevin and he is for having the sanitary main go past his house and plans to hook up; however, he said he doesn't understand why he needs to hook up to the main within 6 months to a year. Mr. Miller indicated he just had his septic system pumped and checked and it is in good working condition. After saying this, Mr. Miller said if he still needs to hook up, he doesn't understand why, with the project getting such a late start he needs to hook up in 6 months. Mr. Miller said that Kevin indicated that the project could be completed mid to late September and homes could hook up then.
    - ii. Kevin said he sent a note to the Commissioners that the hook up is 6 months from the date the notice is sent out that the sewer is available to be hooked up to. The 6 months could start with the date the contractor gives the District the final pay request and the District completes the final walk through. This may be mid November or so by the time the contractor completes the final pay request and 6 months from this puts hookups out to May, 2009.
      1. Mr. Miller said this would work, he just doesn't want to be in a situation where the project is behind and they need to be digging through frost to hook up. Kevin said that normally asphalt must be completed in the beginning of November so the contractor needs to be done building the road prior to that.
        - a. Mr. Miller asked if he could hook up prior to the final walk through and Kevin indicated homeowners could hook up prior to the formal letter once the contractor is past the property and the televising of the system is completed. At that time, the District will know if the sewer is able to be accepted.
        - b. Mr. Miller will drop off his survey form in a day or so after his wife signs the form indicating they are for the project.
      2. Ray said the issue seems to be the 6-month hook up and said the District can trigger the notice for hookup based on a reasonable basis, but the District cannot arbitrarily delay the notice. Ray recommended not changing the District's ordinance at this time and agreed with approving Sunkist in November which would get the required 6 month hook up past the winter months.
    - iii. Accept engineer's plans and specifications.
      1. No action until the property is added in the District.
      2. Review quotes received for the project. - No action. Kevin indicated the quote is down about \$10,000 due to a change in grade.
      3. Set cost of special assessment. - No action.
      4. Discuss the Town of Algoma's action on petition for addition to the Sanitary District. - The town board requested that the District waive the requirement to hook up based on financial need prior to the town accepting the petition to add the properties to the Sanitary District. Kevin said the Town made the motion "to table a decision on their part until their regular board meeting on August 20 which should give Mr. Mraz sufficient time to petition the SD Commissioners to see if they would be willing to put the main in and not have the 5 residents hook up within the 6 month period due to financial hardship."
        - a. Ray said, for his side, financial issues are part of owning property and Ray indicated that Kevin sent out paperwork to the Sunkist residents regarding financial grants available. Ray said the financial

hardship would still exist in a year even if it was waived for a year and this defeats the entire purpose of the ordinance which contemplates the hookup.

- b. Ray said the Town's condition for approval, based on a waiver, is not something that he would recommend and believes it is ill advised. There will always be people unhappy paying an assessment and hookup costs as it is money you were not looking to spend, but there's not much choice. Ray said the District cannot constantly be making decisions on hardship.

- i. The Commissioners agreed and took no action on waiving the ordinance due to hardship.

- b. Adopt Preliminary Resolution # 2008-7-1.

- i. No action.

- c. Review and act on District Investment Policy.

- i. Rose said the District's auditors looked over the draft copy of the investment policy and added some wording and said it will cover what they need. Ray said the policy is fine. **Alex made a motion to adopt the investment policy for the Algoma Sanitary District #1 dated August 14, 2008/second-Mike/carried unanimously.**

7) New Business.

- a. Discuss sale of lot #2.

- i. Kevin said he was approached by a resident interested in purchasing this lot from the District. Kevin said he ran internal numbers and engineering, etc. to come up with an estimated price, but asked if staff should give out prices at this time. Kevin said that Earl previously indicated that he was not interested in selling and Mike and Alex agreed to keep this lot for green space for now.

- b. Michel's Quarry discharge.

- i. They are currently discharging their quarry water over to Leonards Pt. Lane to the storm drain and into the Lake. Bob Bingham from the quarry is in charge and contacted Kevin for ideas. This could possibly be discharged into the sanitary sewer. Kevin worked up a cost per 1,000 gallons and used inflation. The quarry would also be responsible for any additional expenses or sampling that the city may levy on the District. Ray mentioned keeping the District's flows to the city at the current level so rates do not go up. Kevin said he checked this and knows how much they could send to the city. There's a manhole on quarry property that could handle this flow and be throttled accordingly to stay under the million gallons per day. It appears to be a one-time discharge.

- 1. Kevin said he will check where the city is with sludge and what can be accepted to keep the city below acceptable levels. This project may not happen so Kevin didn't approach the city yet. The District's engineers are looking at this but it is just in the talking process at the moment. The Sanitary Sewer is the proper place for the discharge. The additional money received from the quarry could benefit the District. Kevin would take samples prior to and during pumping in case there would be a surcharge.

8) Ray said the Hanson law suit from 2006 has been dismissed which is great news for the District. Kevin said that he knew that the District had no water discharge near her residence.

9) Adjourn - **Alex made a motion to adjourn at 7:15 p.m./second-Mike/carried unanimously.**

Respectfully submitted, \_\_\_\_\_  
Rose Mraz, Office Manager

Approved: \_\_\_\_\_  
Alexander Irvine, District Secretary

**Algoma Sanitary District #**  
**Regular Monthly Meeting**  
**Minutes September 11, 2008 – 6:00 p.m.**

- 1) Commission President Earl Lawrence, with Commissioners Alexander Irvine and Michael Gelhar present called the meeting to order at 6:00 p.m. Also present were Kevin Mraz, Ray Edelstein, Rose Mraz and James Mann with Ehlers.
- 2) Call to Order.
  - a) Earl noted that the District is using a tape recorder for the maintenance of the minutes. No one else is using one.
  - b) Earl took a moment to recognize this date in our country's history as it affected everyone and many people are still in harms way working for us everyday.
  - c) **Alex made a motion to approve the minutes from the regular monthly meeting of August 14 and the special meeting on August 26/second-Mike/carried unanimously.**
  - d) Rose noted investment changes due to the new policy for investments. Bond interest will be paid the end of October and as noted on the pending bill report, there are sufficient funds at Associated Bank. The sanitary utility will need a transfer of funds from the local Government Pool as funds are tied up for better interest in a CD. Approximately \$40,000 will be transferred. There were no additional questions regarding investments. **Mike made a motion to approve the cash receipts & investments report for Sanitary & Water as presented/second-Alex/carried unanimously.**
  - e) **Alex made a motion to approve the pending bills for September as presented/second-Mike/carried unanimously.**
- 3) Public Forum – There was no one from the public in attendance.
- 4) Director's Report
  - a) Review of District statistics – This was given out previously.
  - b) Correspondence – No additional correspondence.
  - c) There's a water tasting competition on September 16 so staff will draw the water for this Monday.
  - d) Leonards Point Road pump replacement is coming up next month on October 14; LW Allen will come October 13 to update the panels. It will cost about \$15,000 to update the station. There will be 2 bypass pumps on standby in case they are needed during the work.
  - e) Drinking water treatment facility #3
    - i) The bids for the facility will be open late October and held for 60 days allowing the District to know the actual amount required for bonding.
    - ii) Kevin said he is still corresponding with the developers for the easements for the sanitary route. The developers are working with the Town which needs to be completed first.
    - iii) Oakwood Road construction – The District is raising the manholes and water and street valves and is saving quite a bit of money versus having the contractor do the work. Paving should start next Monday and this is a relief as graters have busted 7 valves already so the sooner the better for the paving. The District supplied the parts for this but the contractor is paying for the repairs.
- 5) Report from Committees
  - a) Water Advisory
    - i) There was discussion regarding the name of the council – in the future this council will be called District Advisory Council to reflect additional items they will be discussing.
    - ii) Earl said that at the last workshop, the District introduced the idea that the District might be able to provide some assistance to the Town in the area of storm water management. This was well received by those in attendance in the sense that they were interested in what was being presented and seemed favorable to the thought. Those present believe the District has the skills and ability to provide a very good and needed service within the town and they encouraged the District to continue to explore this with the board members to see their thoughts on the issue.
      - (1) Earl said that if something were to move forward; the District would like to see some sort of a town referendum regarding storm water whether it is binding or not. Earl said the District would not proceed without some type of resolution from the Town board as that is the way the District operates.
- 6) Old Business
  - a) Review and act on implementation of water rate proposal from the Public Service Commission.
    - i) Public rate hearing was Tuesday and there is no additional action required.
- 7) New business
  - a) Bonding - Jim, with Ehlers attended to discuss bonding for the District's upcoming project. Jim said that Kevin asked him to compare the available funding and what is the better way to go.
    - i) Jim discussed bonds and the related costs for bonding and compared funding on the open market versus obtaining a state trust fund loan so the commissioners could see which could be the better way to go. At the current interest rate, the District would be better off on the open market. Jim said at the time debt is issued, to check the rates again.
      - (1) With the open market, Ehlers put off the principal payment for a couple of years to keep the District's cash flow as Dave Wagner previously set up for the District's structure. Kevin asked Jim to keep the cash flow up to date.
      - (2) Earl asked why the resolutions need to be adopted at this time and Jim said this is because you need to provide 30 days to the electors that you may be issuing debt. The resolution does not commit you to issuing the debt through a

market rate bond, but it puts the electors on notice that you are going to borrow money. Kevin said this is a not to exceed funding and it can go down to what the District decides on.

- (3) Ray asked if there is variation on the buy side if the funding is for 3 million versus 5 million. Jim said currently, a shorter term will be more attractive to buyers and you may get a better rate.
  - (4) Kevin questioned the prepayment in the funding or refinancing. Jim said that they will run different analysis to be sure what will work best.
- ii) Ray asked the District who will be paying for the bonds. Kevin said that when the PSC currently did the rate structure that they looked at the higher opinion of cost from Strand and structured rates accordingly.
    - (1) The sources of payment will be through the water rates, ad valorem tax, and the rent from the sewer side. The water and sanitary mains will be through assessments. Earl said the well is already built into the original water rates. The project is District wide and amounts not picked up by users, will be picked up by taxes. Earl said the value in the Town has gone up and the District has kept the tax so the amount stays level. By the time the District needs the funding; the District will know the actual costs.
    - (2) The District did the step 1 and step II rate increases to be able to initiate the rates once the project is up. Step II of the rates will be initiated when the construction is near completion.
  - iii) Jim said he'll attend another meeting when the project is closer. Jim has a commitment on the 2<sup>nd</sup> Thursday of November but Kevin said as long as the District has the schedules prior to the meeting that he can review them and see if the District needs a mandatory visit or separate meeting.
  - iv) Bids will be opened the end of October. Kevin needs 60 days to hold for the bond sale. December 11 would be the bond sale and then the awarding of the contract. Timing is at a critical point. Sanitary mains may need to be completed later and estimated for now.
- b) **Mike made a motion to adopt the initial resolution No. 2008-9-1 authorizing \$5,500,000 General Obligation Bonds for water and sewer improvements; let it be resolved that the Town of Algoma Sanitary District No. 1, Winnebago county, Wisconsin borrow an amount not to exceed \$5,500,000 by issuing its general obligation bonds for the public purpose of financing water and sewer improvements/second-Alex/carried unanimously.**
  - c) **Mike made a motion to adopt Resolution No. 2008-9-2 directing publication of notice to electors whereas an initial resolution authorizing general obligation bonds has been adopted by the District Commission of the Town of Algoma Sanitary District No. 1/second-Alex/carried unanimously.**
  - d) **Mike made a motion to adopt resolution No. 2008-9-3 providing for the sale of \$5,500,000 General Obligation Water and Sewer Bonds/second-Alex/carried unanimously.**
  - e) Discuss and act on water advisory council recommendations to supply additional services to the Town of Algoma.
  - f) Staff was given direction to explore and try to help out the Town with existing conditions.
  - g) Schedule 2009 annual budget process.
    - i) Rose will set up a workshop for the end of September and confirm with everyone.
- 8) The regular monthly meeting for October is moved to October 16.
  - 9) Adjourn.
    - a) **Alex made a motion to adjourn/second-Mike/carried unanimously.**

Respectfully submitted, \_\_\_\_\_  
Rose Mraz, Office Manager

Approved: \_\_\_\_\_  
Earl Lawrence, President

**Algoma Sanitary District #**  
**Regular Monthly Meeting**  
**Minutes October 16, 2008 – 6:00 p.m.**

- 1) Commission President Earl Lawrence, with Commissioners Alexander Irvine and Michael Gelhar present called the meeting to order at 6:01 p.m. Also present were Kevin Mraz, David Wagner with Ehlers and Bruce Noebel.
- 2) Call to Order.
  - a) Earl noted that the District is using a tape recorder for the maintenance of the minutes. No one else is using one.
  - b) **Alex made a motion to approve the minutes from the regular monthly meeting on September 11 and the telephonic hearing on September 9/second-Mike/carried unanimously.**
  - c) **Mike made a motion to approve the cash receipts & investments report for sanitary & water as presented/second-Alex/carried unanimously.**
  - d) **Alex made a motion to approve the bond payments/second-Mike/carried unanimously. Alex made a motion to approve the pending bills for October/second-Mike/carried unanimously.**
- 3) Public Forum – Bruce Noebel was in attendance to discuss his agenda item. There was no one else from the public in attendance.
- 4) Director's Report
  - a) Review of District statistics.
    - i) The District is still on target with the connections for the year.
  - b) Correspondence.
    - i) Request from Attorney Marone on behalf of the Noebel's request for a sanitary sewer permit.
      - (1) **Alex made a motion to approve the request for a sanitary permit with the conditions on the permit that there is no sewer available until the Town of Algoma approves the District's site plan and the District is able to install the sewer main/second-Mike/carried unanimously.** Mr. Noebel said he understands he will not obtain sewer currently.
  - c) Status of 2008 projects.
    - i) Water rate review by Public Service Commission.
      - (1) The District received the paperwork for the increase which took effect October 1, 2008. This is the first increase since the start of the water system. The 4<sup>th</sup> quarter water bills will reflect the new rate.
      - (2) Staff is in the process of sending a letter to the Town, while they are doing their budget process, to address the public fire protection and asking the board members to increase their amount.
        - (a) Kevin said a woman from Sunkist came in and asked if everyone is paying the same fire protection fee. Kevin gave her the information and the facts which will be included in the letter to the Town. He told her she could discuss this with the board members.
    - ii) Drinking water treatment facility #3.
      - (1) Schedule.
        - (a) The schedule for substantial completion for the project which is contingent on the bid opening and prices would be October, 2009.
        - (b) Earl asked if well #3 is complete and what was tested out. Kevin said the water analysis in house came out ok so far, but the tests sent to the State Lab will be completed in about 2 weeks. These will be received prior to awarding of the bids.
        - (c) The well is 673' deep with the casing going down right where expected.
      - (2) Bonding
        - (a) The bonding will be addressed in more detail with Dave. Kevin said that currently the District is looking at a 4.75% loan through the state trust fund program. The state raised their rates to 5.5% the day after District staff worked with them and was able to secure the lower interest rate.
      - (3) Bid opening.
        - (a) The bid opening is scheduled for October 30 at 2:30.
      - (4) Sanitary sewer route to water treatment facility #3.
        - (a) This will be bid out prior to Dec. 11 so costs will be known. A developer in the area is still working on his development and hasn't given easements to the District. Currently the sewer is planned to come out to Witzel. Currently, the District is planning to use a grinder pump.
          - (i) The current design costs of the sewer main will not be wasted as it will be required for future growth.
    - iii) Oakwood Road construction.
      - (1) This project is completed. Kevin mentioned to some town board members that because they now have curb and gutter, that the board may want to start discussing maintenance practices for leaves. Mike said he saw that also.
        - (a) Kevin mentioned to them that the District has qualified staff and capabilities which could be provided.
    - iv) Brooks Lane lateral repair and Sunkist Road sewer extension.
      - (1) Brooks Lane was repaired prior to the road being restored.
      - (2) The Sunkist Road sewer extension has been installed and is completed. The pressure test is completed and homes can connect up. The District was fortunate and did not hit rock which will lower the assessments.

- v) Sanitary lift station upgrades.
    - (1) The pumps from ITT flight should be in next week. L W Allen and ITT Flyght are scheduled to do this work in about 2 weeks.
    - (2) Paul Dreis is looking at the Shorehaven Lift Station and will meet with Kevin to discuss some specifics on it. Paul is looking at the entire lift station impact based on complete build out.
  - vi) GPS survey of water valves, hydrants and manholes.
    - (1) Strand lent the District equipment and District staff is doing the survey of the water valves and manholes. This will give the District some useful information. When completed, the information can be downloaded into handhelds and you will be able to see where you are in relation to manholes and valves.
      - (a) The operators told Kevin that everything north of 21 will be completed by the end of the day tomorrow. After that it will take about a week to a week and a half to complete south of 21.
  - vii) Manhole repairs – The District is repairing some manholes throughout the District. The manholes will be cleaned out and then epoxy applied at a cost of \$70.00 per manhole which is a reasonable cost.
  - d) Bellhaven – An owner of a vacant lot is requesting water. Parker said he can do the entire project for \$49,000 so it was easy to cut a quote and tell the owner \$13,300. If the owner wants to continue; Kevin will send out a mailing to the other affected parcels owners. Earl indicated that the extension needs to be all or nothing.
- 5) Report from Committees.
- a) Water Advisory Council. No meeting to report on.
- 6) Old Business.
- a) Discuss and act on Well #2 piping inspection report.
    - i) This is in regards to the welding. Kevin sent the report to Coenen Mechanical and received a correspondence back from them. J C Bastian hired Coenen, a specialist in the field to do the stainless piping and welding work for the District. Coenen sent an e-mail to their insurance company and sent Kevin the information. It looks like a claim may be made. No action at this time.
      - (1) Strand allowed stainless rather than ductile on a change order as there was no problem with using stainless.
- 7) New Business.
- a) Ehlers presentation discussing funding and cash flow status.
    - i) Dave attended to discuss the financial status of the District. There was considerable discussion regarding financing.
      - (1) Dave put together financing for 4 and 5 million.
        - (a) Dave said the State Trust Fund is level payments normally; however, they do allow backend payments at times if the lender does the paperwork showing this is a good method.
        - (b) Dave said his projections done separately from the District's budget, are very close. Dave said the lowest the District would want to drop cash between the 2 utilities is \$600,000 to \$700,000.
      - (2) Dave said the open market borrowing has been tossed out as it has deteriorated in the last few months.
    - ii) There will be a workshop November 6 at 6:00 p.m, to discuss costs and bonding in more detail.
    - iii) Dave said the resolutions required this evening for the state trust fund loan do not tie you into the loan. Kevin said the paperwork for the state trust fund loans is due within 30 days and Dave recommended doing the actions, but not mailing until after the bid opening.
  - b) Initial resolution authorizing staff to apply for \$5,000,000 loan for Water and Sewer Improvements from the Board of Commissioners of Public Lands. (Resolution 2008-10-1)
    - (1) **Mike made a motion to authorize staff to apply for a loan for water and sewer improvements from the Board of Commissioners of Public Lands – resolution 2008-10-1/second-Alex/carried unanimously.**
    - ii) Commissioner motion to proceed with project to satisfy Board of Commissioners of Public Lands.
      - (1) **Alex made a motion to proceed with project to satisfy Board of Commissioners of Public Lands/second-Mike/carried unanimously.**
  - c) Preamble and Resolutions for application for State Trust Fund Loan for Municipal Water System.
    - i) **Alex made a motion to approve Resolution 2008-10-2 to approve and authorize an application to the Board of Commissioners of Public Lands, State of Wisconsin for a loan for Five Million and 00/100 dollars (\$5,000,000.00) from the Trust Funds of the State of Wisconsin for the purpose of constructing a municipal office building as well as municipal water and sewer improvements. (Resolution 2008-10-2) with one modification that the submittal is not mailed until November 6, 2008/second-Mike/carried unanimously.**
    - ii) **Alex made a motion to resolve further that there shall be raised and there is levied upon all taxable property, within the Algoma Sanitary District #1, in the County of Winnebago, Wisconsin, a direct annual tax sufficient in amount to pay the annual installments of principal and interest, as they fall due, all in accordance with Article XI, sec. 3 of the Constitution and Sec. 24.66(5), Wisconsin Statutes, (Resolution 2008-10-3)/second-Mike/carried unanimously.**
  - d) User fee credits.
    - i) There are 2 parcels for user fee credits for 2007, one for Jane McDonald for \$94.00 and one for Mary Jean Irvine for \$126.00. These were verified, the one parcel is only used 3 months and the other is not habitable.



- (1) **Mike made a motion to allow the user fee credit for 2007 as shown on the 2008 tax roll for P # 002-1014 for Jane McDonald and P # 002-0111 for Mary Jean Irvine/second-Earl/Alex abstained/carried 2.**
- e) 2009 annual budget review.
- i) Earl appreciated the efforts put into the budget and asked if everyone is comfortable with what was submitted. Alex and Mike are comfortable with the numbers.
  - ii) Kevin had the following charts available for the commissioners' use.
    - (1) % of tax levy – the estimate is based on the increases in the revised budget numbers. The Commissioners are comfortable with the levy.
    - (2) Chart breaking down town and city portion of tax levy.
      - (a) Breakdown of equalized value of town and city.
    - (3) Retained earnings – Kevin said retained earnings are very close to the cash on hand; however Dave indicated that not all retained earnings are cash and some is infrastructure.
    - (4) Chart showing alarms from the SCADA system.
      - (a) The chart doesn't include calls from residents about possible backups. One resident recently called Mike regarding a backup and our operator went out and there was no backup in our main.
        - (i) Roto Ruter said that low flow toilets can cause backups in laterals as there is not enough volume of water to push sewage out to the sewer main.
      - (5) Sanitary permits – There has only been 2 years below 40 permits.
    - iii) Kevin said the District went back far enough to look through the series of different financial times.
    - iv) Set the 2008 ad valorem Tax Levy to be collected in 2009.
      - (1) **Mike made a motion to set the tax levy at \$180,000.00/second-Alex/carried unanimously.**
    - v) Review and approve revised preliminary budget as developed at the budget workshop.
      - (1) **Alex made a motion to approve the revised preliminary budget as developed at the budget workshop/second-Mike/carried unanimously.** This will be published.
    - vi) Set date for 2009 budget public hearing.
      - (1) **Mike made a motion to set the date for the 2009 budget hearing for November 13, 2008 at 5:45/second-Alex/carried unanimously.**
  - f) Hazard mitigation grant program through State 404 program.
    - i) Kevin said the District has been working with the county regarding different programs for funding.
      - (1) Rose contacted the State and they allowed the District to submit the application after the due date. The state will look to see if any funding available. It could be funded at about 75%.
    - g) Kevin said the DOT just paid for the Washburn project so the funds are available as the bills come in.
- 8) **Mike made a motion to adjourn/second-Alex/carried unanimously.**

Respectfully submitted, \_\_\_\_\_  
Rose Mraz, Office Manager

Approved: \_\_\_\_\_  
Earl Lawrence, President

**Algoma Sanitary District #**  
**Regular Monthly Meeting**  
**Minutes November 13, 2008 - 5:55 p.m.**

- 1) Commission President Earl Lawrence, with Commissioners Alexander Irvine and Michael Gelhar present called the meeting to order at 5:55 p.m. Also present were Kevin Mraz, Joel Edson, Rose Mraz, and Ray Edelstein. From the public, Paula Rost and Judith Leinweber were in attendance.
- 2) Call to Order.
  - a) Earl noted that the District is using a tape recorder for the maintenance of the minutes. No one else is using one.
  - b) **Mike made a motion to approve the minutes as submitted from the meeting on November 6, 2008/second-Alex/carried unanimously.**
  - c) Approve cash receipts & investments for sanitary and water.
    - i) Note any investment changes.
      - (1) Rose noted that there is a certificate of deposit “cd” due in November at Community First Credit Union and recommended renewing the “cd” for 6 months at 3.68% interest. There was discussion regarding this; and the Commissioners were comfortable with the renewal as long as funds are collateralized.
      - (2) There are several certificates of deposits due at Associated Bank prior to the December meeting and Joel said that the District will be receiving some tax payments for investment also in December. Joel said he talked to Associated regarding the Town’s investments and indicated that they will be going over the collateralized accounts monthly. Currently Associated is giving interest rates which are lower than the credit union.
      - (3) Kevin noted that the District received payment in the amount of \$277,000 from the DOT for the Washburn project indicating this was a long time coming. Rose said these funds will be kept to pay the City of Oshkosh once an invoice is received from them for the contract.
    - ii) **Mike made a motion to approve the cash receipt and investment report as presented noting the change in investments/second-Alex/carried unanimously.**
  - d) Approve bond payments. All payments due were made.
  - e) Approve pending bills for sanitary and water.
    - i) **Alex made a motion to approve the pending bills as submitted/second-Mike/carried unanimously.**
- 3) Public Forum – Earl asked Paula Rost and Judith Leinweber what the District can help them with. Paula and Judith said they attended to discuss a letter they received from Ray Edelstein. Kevin corrected this and said the letter was actually to Ray from the Town’s lawyer, Bert Wertsch. They said they do not understand the letter or why they received it.
  - a) Ray explained the letter to them and indicated the letter comes down to the question of: “Is anyone saying there has to be a hookup performed” and the answer is no. They said they read it to say that the DNR is saying that the homeowners do need to hook up as they are within the setback area to the well.
    - i) Kevin said the Sanitary District, on behalf of these residents, sent a letter to the DNR requesting a variance for their septic tanks as they are within the setback distance. Kevin said the DNR then issued a variance to the District on behalf of these homes indicating that the septic tanks will not affect the water utility in the new well.
      - (1) Ray showed them where on the paperwork to see this. Paula Rost said that she understands that the DNR has more power than the District and if they decide the homeowners need to hook up that the District cannot stop them.
        - (a) Earl indicated that yes, the DNR has tremendous authority and the DNR looked over how the District is putting in the well; and they said that the way the District is constructing the well, it will not be affected by these septic systems.
        - (b) Earl said in the future, the DNR can come back and say everyone needs to hook up due to a different issue, and that the District has no control over this.
        - (c) Ray told them to hold on to the paperwork and in the very unlikelihood that the DNR says they need to hook up, to pull out the paperwork. Ray said they also have the letter from the Town’s lawyer saying they do not need to hook up.
          - (i) Ray said this issue came up due to comments at a Town meeting, which caused confusion. Kevin said the variance was addressed months ago and not just recently.
  - b) Mrs. Leinweber said they had their well tested and it came out good.
  - c) Kevin said a neighbor requested sewer due to his septic problems and the District may work with him and stop service at the corner of their properties.
  - d) Kevin said if the project is awarded; he will keep the neighbors informed.
- 4) Director’s Report.
  - a) Review of District statistics – given out previously.
  - b) Correspondence.

- i) Kevin received a letter from Attorney Schultz on behalf of Midwest. In Wyldewood Village they have condos and apartment complexes near Oakwood and Witzel. Midwest would give the District an easement if the District took over the maintenance of the sewer. The Commissioners discussed this and decided not to take this on as part of the District's infrastructure.
- c) Additional points.
  - i) Kevin went to the Town Planning Commission for the site plan review and said the plan was approved unanimously. There was good discussion with all the members in attendance.
    - (1) Dick Spanbauer was in the audience and indicated that everyone should be aware that the Northern neighbors are not required to hook up to water and sewer with the project.
  - ii) The Fire Department asked Kevin if the District can plow their snow as Kolb's Garage said their insurance is going up too high for them to continue plowing.
    - (1) Kevin called McClone Insurance and they indicated the District is covered. There was considerable discussion regarding this and a letter Kevin put together for the Fire Department to be sure the District is not held liable for any ice or claims. Currently the District pays the Fire Department's water bill and sends them the difference up to \$100.00 per quarter for rental space.
    - (2) Kevin came up with a price that could be charged. It was discussed to do this as a favor and without a charge and only plow during normal work hours. Ray said to add that the Fire Dept would be liable for any costs associated with the defense of an action against the District. Ray said legal fees can add up for defense. This isn't a money making venture.
    - (3) Kevin will call the insurance company with additional questions to be sure of coverage.
      - (a) Ray said to talk to McClone regarding backing into something.
      - (b) Also check if it makes a difference if you charge for the service as this may change the character.
    - (4) The Fire Department would need to do all the ice removal and hand shoveling at their entrances. There are a lot of questions to be answered before the District takes on this task.
  - iii) Bert sent Ray the letter that the residents received without a cc to the District.
  - iv) Public Lands sent out the conditional approval for funding and this goes before the Attorney General and their board on November 20. The District will receive a letter after this date.
  - v) AT&T has fiber optics zigzagged within Witzel right of way. Pat told Kevin that he had a talk with AT&T about this as wires are all over the place.
    - (1) AT&T sent an e-mail to Pat indicating they can relocate the utilities for municipal work at no charge.
      - (a) Kevin will confirm that there is no cost. This will help keep the District farther away from the highway asphalt as John Hayes, the Highway Commissioner, said the District would need to repave 50' on each side of the road even if there is just a nick on Witzel such as a 6' x 6' area damaged.
- d) Status of 2008 projects.
  - i) Water rate review by Public Service Commission – Was completed previously.
  - ii) Drinking water treatment facility #3.
    - (1) Sanitary sewer route to water treatment facility #3 – The bids will be opened in December prior to the next District meeting.
  - iii) Site plan meeting will be November 19th.
  - iv) Sanitary lift station upgrades.
    - (1) Leonard's Lane upgrade is complete and has cut the time of each motor from 2 hours to 1.2 hours. Next month the District will check the change in electric usage.
- 5) Report from Committees.
  - a) District Advisory Council – no meeting to report on.
- 6) Old Business.
  - a) Discuss and act on Water Treatment Facility #2 piping repairs.
    - i) No action at this time. Ray sent a letter November 4 asking Coenen Mechanical what they are doing.
- 7) New Business.
  - a) 2009 annual budget review.
    - i) Discuss and adopt 2009 budget.
      - (1) Earl said that the workshops, reviews, publication and public hearing have been completed. There are no changes to the draft budget. **Alex made a motion to approve the 2009 annual budget as published October 30, 2008/second-Mike/carried unanimously.**
      - (2) Joel asked if there was a formal motion for the increase to the user fee. Kevin said it was increased as part of the budget process. The budget was published with the updated fees. Earl asked Ray if a separate

motion is necessary. Ray said to make a motion and due to the report received from the PSC regarding rate changes and because of the interconnection between the 2 utilities which was addressed previously there has been sufficient notice regarding an increase to user fees. Ray said the District had to look at cash flow to be sure the rent to the water side is covered, given the rate review for water and this is complete.

(a) Rose was waiting for the budget to be approved and would make changes that were included in the budget. The user fees go on the tax roll prior to November 21.

(b) Joel recommended making a motion this evening establishing the fee and also put it on the December agenda.

(i) Earl said to address it as a modification.

**(3) Mike made a motion to increase the charge for an equivalent unit from \$250.00 to \$262.75 per year/second-Alex/carried unanimously.**

b) Determine method and timing of selling existing administrative office building.

i) There was discussion about the sale of the existing building. The District prefers not to move until the new building is up and ready. Kevin also prefers saving the 6% realtor fee. Mike asked if Kevin wanted to try for 4 to 5 months and after this hire a realtor. Kevin said he would put up a for sale sign or and ad in the paper. Earl said the District should be able to hire a realtor at 4%, and prefers having a realtor instead of ads being purchased. Kevin may call several realtors to see if anyone has interest in the building.

8) Adjourn. **Mike made a motion to adjourn/second-Alex/carried unanimously.**

Respectfully submitted,

\_\_\_\_\_  
Rose Mraz, Office Manager

Approved:

\_\_\_\_\_  
Earl Lawrence, President

**Algoma Sanitary District #**  
**Regular Monthly Meeting**  
**Minutes December 11 – 6:00 p.m.**

- 1) Commission President Earl Lawrence, with Commissioners Alexander Irvine and Michael Gelhar present called the meeting to order at 6:00 p.m. Also present were Kevin Mraz, Joel Edson, Rose Mraz, Ray Edelstein Steve Kluesner, and Dave Wagner.
- 2) Call to Order.
  - a) Earl noted that the District is using a tape recorder for the maintenance of the minutes. No one else is using one.
  - b) **Alex made a motion to approve the minutes as submitted from the regular monthly meeting on November 13, 2008/second-Mike/carried unanimously. Alex made a motion to approve the minutes from the Public Budget Hearing on November 13, 2008/second-Mike/carried unanimously.**
  - c) Approve cash receipts & investments for sanitary and water.
    - i) Note any investment changes.
      - (1) Rose noted that there are 3 certificates of deposits due at Associated Bank and recommended renewing the \$325,000.00 until April 27 to obtain 1.95% interest. This will be used for bond payments due May 1, 2009. There was discussion regarding the other 2 CD's to renew them for 91 days to obtain the higher interest rate.
      - ii) **Mike made a motion to approve the cash receipt and investment report with the modification of extending the balance in the water CD from 30 days to 91 to obtain the 2% interest rate/second-Alex/carried unanimously.**
  - d) Approve pending bills for sanitary and water.
    - i) **Alex made a motion to approve the pending bills as submitted/second-Mike/carried unanimously.**
- 3) Public Forum – Earl noted that there are no members in attendance from the public.
- 4) Director's Report.
  - a) Review of District statistics – given out previously.
  - b) Kevin asked how to handle the parcels on Witzel for the assessment process. During January, Kevin would like to have meetings with the residents regarding sewer and or water services.
    - i) Earl asked Ray if the District runs a main currently if parcels can be assessed in the future for the benefit. Ray said the District cannot assess if the parcels are not in the District, but to assess when they come in. If parcels use the benefit, they need to come into the District and then there would be a charge.
      - (1) Kevin said there are seven parcels that want water and three that want sewer currently. Some of the parcels are in the District and some are not. There was discussion regarding how to charge for the service.
      - (2) Kevin said an issue he has with Witzel St. is that it is a county highway and due to the County 600' requirement between access points, parcels would probably receive service from a different road.
        - (a) It was decided that on the sewer side, costs would be put into the CAC and the amount would be due prior to receiving a connection permit.
        - (b) Ray asked if the District needs the installation of the water main to the new facility to service existing customers.
          - (i) Kevin said that this is a pressure source required to service the existing valves in the District. Steve said that this is exactly why the District may get a high score from the Safe Drinking Water loan as the extension is to service the existing area. Steve said the Safe Drinking Water may even fund the sewer that runs down the road because to have the facility active, you also need the sewer to be installed.
            1. Ray said if this is the case, you can roll the cost into the supply assessment and if parcels hook up they pay at that time. Dave agreed with this. Ray will check to be sure there is no limitation for assessments. Alex said he agrees it needs to be fair and Mike agreed. Kevin said the supply assessment will be close to what the current assessments are.
  - (3) It was agreed for Kevin to contact all parcel owners and leave it up to them to make their own decision.
- c) Discussion with Midwest regarding their request to grant the District an easement to their Wyldewood subdivision. Kevin said they now understand that this is their private sewer extension. The District observed construction, but did not look over the engineering.
- d) Great Lakes Compact sent a letter to the District regarding the Compact which is being signed by the Governors and two Canadian Provinces. The District had to submit water quantity drawn from the basin to them as they needed to know how much water our wells can produce in a 24 hour period. They increase our baseline to this amount of 1.98 MGD..
- e) Kevin said he has some year end purchases to make and all have been included in the budget and will not exceed the limits. These were included in the capital item budget for repairs. Kevin asked to roll over the amount for the lawnmower in order to step up to a commercial grade mower at the new facility.
- f) Kevin said the Town of Algoma approved the District's site plan.
- g) There have not been any problems with the Leonard Lane Lift station since upgrading.
- h) Shorehaven upgrade will be bid out in January.
- i) Water Treatment facility #2 piping repairs. Ray said Coonen is saying it's too bad probably because they have no coverage for repairs. Ray said this could become a lawsuit. Ray did not see their insurance policy and the issue is at a standstill.
  - i) Ray said in January, the Commissioners can determine what to do.

- j) The District inspected 499 homes for sump pump compliance so far and have 127 additional scheduled. There were 8 found that have not been repaired yet, and two are outside of their 15 days to repair, one asked for an extension.
    - (1) Kevin asked how the Commissioners want to proceed. Earl asked where the 15 days came from and Kevin said that was a staff decision so as not to levy fines immediately to violators. Ray said this is fine. Ray said if violators do not let the District back in and you know it is non compliant then you can issue a citation and fine them.
      - (a) Kevin said homeowners either receive a compliant certificate or non compliant when the operator's check sump pumps.
    - (2) Mike asked if the District has any homeowners not letting you in. Kevin said out of the original 700 mailings, the District inspected 429 so there's about 300 homes from the first bulk mailing not inspected yet.
      - (i) Kevin said this is his next question as to how to handle homes not responding to the District's letters.
        - 1. Ray said the District has right of entry but to send another reminder first and the third notice could be from Ray giving them a number of days to contact the District.
- 5) Report from Committees.
    - a) District Advisory Council – no meeting to report on.
  - 6) Old Business.
    - a) **Mike made a motion to approve resolution number 2008-12-1 to modify the annual sewer user fee from \$250.00 to \$262.75 per equivalent unit/second-Alex/carried unanimously.**
    - b) Discuss Ehlers cash flow analysis including construction of administrative facility and associated contracts.
      - i) Dave said they put together a set of schedules for cash flow and used the worst case scenario as they did not want to be over zealous. The lowest ending cash is 2013 at \$421,649. This incorporates the full project value which Kevin said gets a little better with the new bids. Dave said the numbers work for the new project; however, you will need to monitor yearly to be sure you are on track with hookups
      - ii) Dave said the latest rate for the State Trust Fund Loans is at 2.668% and indicated that if Steve obtains the Safe Drinking Water loan, you can pay off the Public Lands loan with the proceeds from it.
        - (1) Dave said he is pleased to see how the project is coming along as a couple of months ago he felt the project could have been a long shot.
          - (a) Kevin said the sewer bids came in at less than half the engineer's estimate and the estimates could have made the Commissioners stop, but Kevin believed the contract would be lower and they did end up lower.
        - (2) Kevin thanked Dave for all his work for the District and will keep him in mind for any possible future funding required.
    - c) The Commissioners of Public Lands sent a notice that the District can start making withdrawals from this loan.
      - (1) Dave said that Jim Mann and Kevin went back and forth with Public Lands to receive an acceptable payback schedule. There is up to 5 million dollars available even though the District is going to stay at 4 million.
    - d) Resolution to increase sanitary Contribution in Aid of Construction residential class A, B, C and commercial base amount by \$500. There was discussion regarding the spreadsheet Kevin laid out indicating that a \$500.00 increase is a start in the right direction. The amount actually would need to be \$739 if the maximum number of homes were built in the Town's protected area. The CAC has not been increased in years and is paid by those building a new home. **Mike made a motion to increase the CAC for residential class A, B, C, and the commercial base amount by \$739.00 effective January 1, 2009/second-Alex/carried unanimously.**
      - (1) Earl indicated that the District is still one of the lowest even after the increase.
  - 7) New Business.
    - b) Audit for 2008 is scheduled on February 5<sup>th</sup> and 6<sup>th</sup>.
      - i) There were no questions from the Commissioners for the auditors prior to the audit.
    - c) Review staff submittal representing expenses associated with the water treatment facility, administrative, and garage building project and set financial goals for staff. Kevin discussed his updated cost submittal for the project showing known and unknown costs.
      - i) Earl questioned the asphalt costs if the contractor damages any part of Witzel Road.
        - (1) Kevin said this was included in the contract as a lump sum cost to protect the District therefore; the contractor will be on notice that his asphalt payable is \$19,000. With it bid out this way; the contractor will want to be cautious and not damage the road. The lowest bidder went \$19,000 and the next lowest was just over \$20,000 and the a third lowest was over \$40,000. Kevin said he is not willing to pay more than the contract price for this. Steve agreed the drawings and contract indicates the one set price. Kevin said the water main crossing Witzel was billed at an extra \$50.00 per foot so the contractor was aware of this. With the bid this way, the contractor knows the requirements from the county if they damage Witzel.
        - (2) There will be a walk through with the county prior to work starting.
        - (3) To address Earl's concern of unknown unit expenses , rock removal is by the foot; however, the 3 completed soil borings on Witzel show rock was below construction grade at all 3 points.
      - ii) Steve said contingencies could go up \$200,000 at the 5%, but expects it to be closer to 2%.

- d) Discuss and act on awarding Contract 2-2008, Well #3, Facility, Administrative Building and Garage, to The Selmer Company at their contract amount of \$3,989,381.00. Kevin said there was an error in their bid, of about \$5,000.00 but it is still the lowest bid received.
    - (1) Steve added that talking with contractors, the District is lucky with the bids that came in. The timing was great for the project as material costs came down prior to the bids. The companies that bid are mainly trying to keep their employees busy.
    - ii) Kevin asked Steve if there are any additional permits required prior to awarding the project to Selmer. Steve said the DNR approval letter is 98% ready; they just had a couple of questions. Steve said this contract would need to be awarded by the end of December or you would have to re bid it.
      - (1) Steve asked if there are any additional cost reductions to look at prior to awarding. Kevin said he is not comfortable with removing a bay as the cash flow shows it is ok without removal. Kevin believes the project is a good fit. Mike asked if the generator will stay as originally bid out and Steve said that it wouldn't be cost effective to change this. There are minor changes which could reduce the cost with one being going to previous Tonka man ways. This change order could be put in the contract and would lower the cost by approximately \$25,000.00.
      - (2) Kevin said that there have been no discussions with The Selmer Company regarding changes to date.
    - iii) **Mike made a motion to award contract 2-02008 Well #3 Facility, Administrative Building and Garage to The Selmer Company in a contract amount of \$3,989,381.00/second-Alex/carried unanimously.**
  - e) Discuss and act on awarding Contract 3-2008 Witzel Avenue Utility Extension-Phase I based on bids opened December 9, 2008.
    - i) Kevin said there are 2 options on this.
      - (1) Number 1. Talk to the developers who previously did not grant the District an easement to discuss where they are with their subdivision.
      - (2) Number 2, if the grinder lift station stays where it is planned, Kevin will talk with neighbors to see if there is interest or not in sewer service.
    - ii) There was extra time put in the contract to award this bid from the usual 60 days. Kevin wants to be sure what the homeowners want to do.
      - (1) Earl said under no circumstances will the developers run sewers draining to the South from Fenzl and Kevin said he already had this discussion with the developers.
      - (2) Steve questioned using the C900 versus ductile. The cost difference for C900 was \$106,000. Steve said the District's entire system to this point is ductile and he said to go to a different material would require another material inventory when maintenance is completed. A number of communities have started to use C900 for corrosion issues.
        - (a) In the District everything is bagged which reduces corrosion. Currently there has not been a problem in the District with ductile.
        - (b) With PVC it is harder to find the mains and you need to run the wire down. Steve said some communities love the PVC and some the ductile. Steve said if the customer doesn't have a preference, Strand specifies ductile iron.
        - (c) Kevin said the District has the pipe coated and wrapped. Kevin said he wasn't asking to change, but wanted to know the difference in cost for the project.
          - (i) Ray said if the District goes with C900, this could be used as a test plat so as to not set precedence for this material.
    - f) **Alex made a motion to go to closed door session for employee matters/second-Mike/carried unanimously.**
    - g) **Mike made a motion to go back to open door session/second-Alex/carried unanimously.**
      - i) There was no additional action.
- 8) Adjourn. **The Commissioners were all in favor to adjourn.**

Respectfully submitted: \_\_\_\_\_  
Rose Mraz, Office Manager

Approved: \_\_\_\_\_  
Earl Lawrence, President